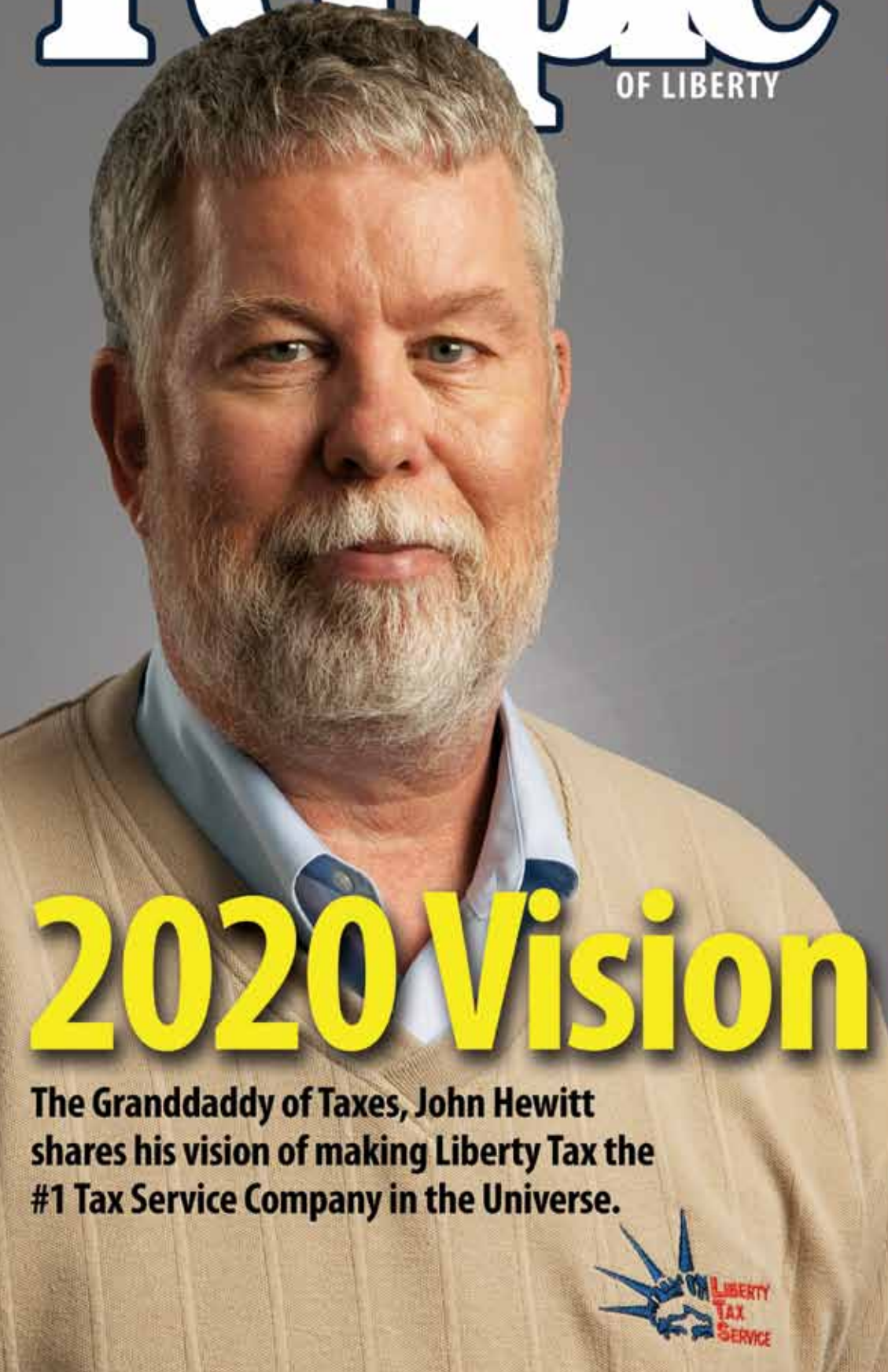


SPECIAL EDITON

# People

OF LIBERTY



## 2020 Vision

The Granddaddy of Taxes, John Hewitt shares his vision of making Liberty Tax the #1 Tax Service Company in the Universe.

**EXCLUSIVE  
2010  
ANNUAL  
REPORT**



**LIBBY SPOTTED!**  
Marketing  
Madness



**NEW CORPORATE OFFICE**  
Building with  
a Future



**2010 CONVENTION**  
PUSHING IT TO  
THE LIMIT!



[www.libertytax.com](http://www.libertytax.com)

This is a parody of People Magazine. This issue is fake, but the information is real.

# No other product does more for you.



## Nursery

Newest deduction need some deodorizing? Sprinkle Crown & Hammer in the diaper pail for a fresh new take on things.



## Personal

Relax & Refresh. No more hitting the road to find a reliable preparer, soak your feet in Crown & Hammer. Your feet are in good hands.



## Floor Spills

Uh-Oh! Did the late-night receipt finding session cause you to spill your coffee? Just sprinkle, let dry and vacuum up the excess caffeine & frustration.

There's almost nothing Crown & Hammer Baking Soda can't do. It's the secret for easy cleaning and freshening. Discover all the possibilities today.



## Pool

Is your home upgrade not so fresh? Add some Crown & Hammer with your chlorine to get a clear view of the summer fun.



## Garage

Changing your own oil on your business deduction? Scrub your hands with 3 parts Crown & Hammer and 1 part water and claim this clean-up done.



**Countless uses for Crown & Hammer**  
For more secrets, visit [crownandhammer.com](http://crownandhammer.com)

**2** **COVER** Despite a prediction of gray clouds and changing skies, John Hewitt, **The Granddaddy of the Tax Industry** and his band of followers, see nothing but sunny days ahead.

**4** Conventioneers balance **Pushing It To The Limit** with a call to re-discover **“Legacy Moments.”**

**7** **Una Familia Sin Fronteras** sets the bar for all others to follow.

**10** 800 square feet of office space to more than 60,000 square feet, Liberty’s **Timeline** impresses in 13 short years.

**12** Babies singing the blues and Chili Cookoffs—**Marketing** continues to break through the clutter.

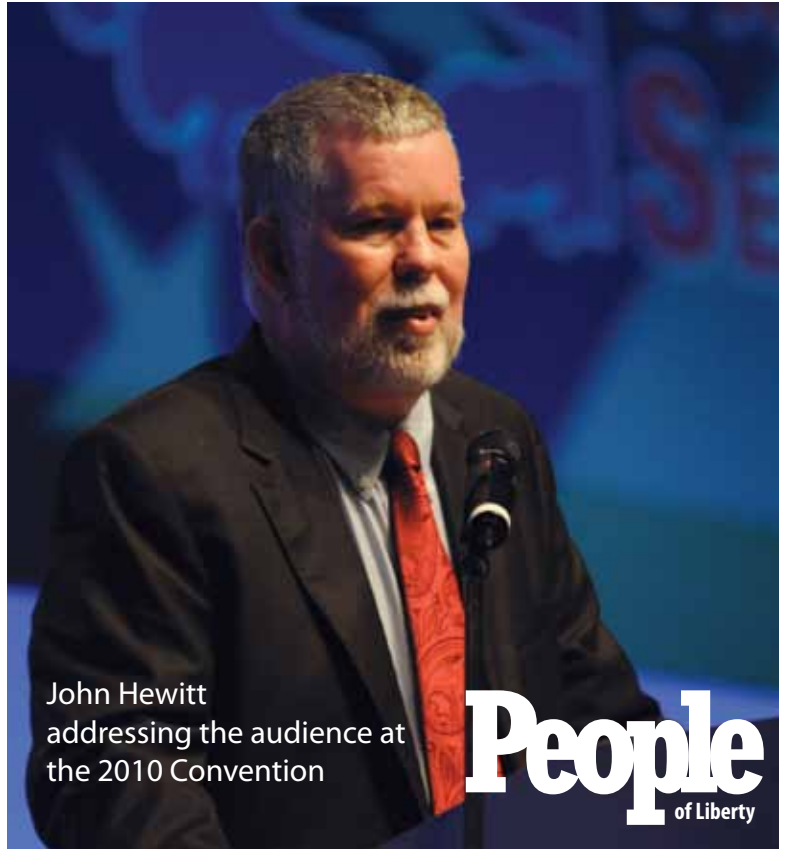
**14** CNBC, BBC, ABC. Hold the presses, when **John Hewitt** speaks everyone listens.



**ON THE COVER**  
John Hewitt  
Photograph by Glenn McClure



Get the free mobile app at  
<http://gettag.mobi>



**16** 102 cubes. 122 mailboxes. Liberty’s Corporate Campus unveils **Building #2.**

**18** **HEROES AMONG US**—Devastating earthquakes, soldiers deployed across seas and Appreciation Days, Liberty’s families and friends reach deep to help.

**20** Little known facts and reflections from Brian Pannelo with his **Tales From the Road.**

## ALSO IN THIS ISSUE

MAILBAG  
SCOOP  
GREAT IDEAS

PUZZLER  
SECOND LOOK  
CHATTER

**“Numerous other franchise organizations with less foresight were unable to invest in their own franchisees and therefore were unable to grow, not just this year, but for a number of years.”**

In a year when mature corporations, both private and public, faced the most economically challenging period of their lives, 13-year old Liberty Tax Service flew in the face of doomsayers.

With the calm repose of a man comfortable in his own skin John T. Hewitt remembers the exact moment he breathed life into the fastest-growing tax preparation service ever. “It’s still amazing to me that it has been 13 years since I started this journey with a small group of close friends,” he reflects. “To look back, we started so humbly—we wanted to build a new company and make it different; thoughts written on a napkin, scratched out, drafted again, additional napkins employed to fully flesh-out our hopes and dreams, our commitment to a new direction, with new ideals—a new company.”

For Hewitt and his passionate followers, much has happened since then; his napkin-sized principles and beliefs are now emblazoned on posters, letterhead and T-shirts across two nations. His dream of empowering others to set a new standard, improve and have fun every day has exploded exponentially to thousands of people who share his original vision, and what was an 800-square-foot office with one computer has ballooned into more than 60 thousand square feet, as recently as January 2010. And what was rental office space is now a corporate campus located in the heart of a resort destination in Virginia Beach, VA.

But much of that is the history that is the backbone for Liberty’s success throughout the years. What of the recent fiscal year? Political pundits will ultimately write the chapter on whether this year places our country firmly in the grips of an extended recession or on a tentative upswing. As for Liberty, this year reflected the impact of an economy that has

not fully rebounded, with negative and positive results:

**CUSTOMERS-** A couple of million less people filed returns, mostly because they couldn’t afford to pay the taxes they owed. For Liberty, that’s good and bad news, for the IRS will ferret them out, and they will need to file, eventually. That is an annuity that will pay off in the long-term, but for the short-term, those returns are lost.

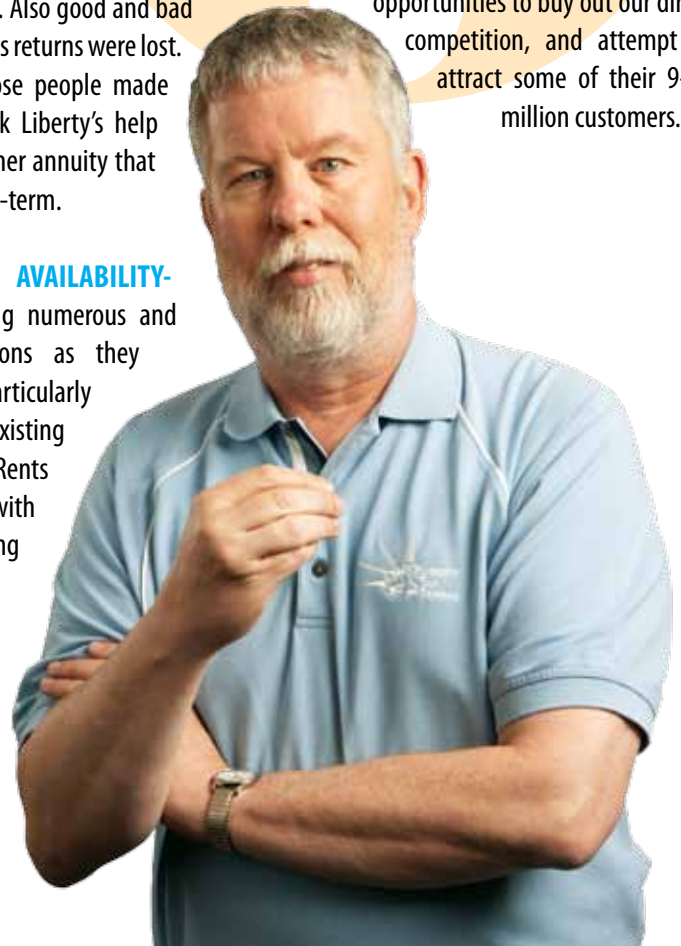
**DO-IT-YOURSELF OR ONLINE ELECTRONIC FILING-** With the down economy, many people went online and filed returns without professional assistance. Also good and bad news for Liberty. Bad, as returns were lost. Good, as some of those people made mistakes and will seek Liberty’s help in the future, yet another annuity that will pay out in the long-term.

**REAL ESTATE AVAILABILITY-** Franchisees are finding numerous and better quality locations as they become available, particularly with the closing of existing H&R Block offices. Rents are more competitive with retail space becoming more plentiful.

**BETTER EMPLOYEES-** The downsizing of quality corporate employees has delivered a higher caliber tax school

student to our doorstep. With a renewed drive to recruit and retain great tax preparers, this is a win-win situation to build trust and promote customer retention.

**LOW-HANGING FRUIT-** A difficult economy aside, independent Mom & Pop tax preparation store fronts will continue to have an uphill battle to adapt to new tax preparer registration and certification requirements. The tax industry is consolidating and driving out smaller participants, as predicted. Add to that the drying up of bank products for small providers and Liberty will see many opportunities to buy out our direct competition, and attempt to attract some of their 9-10 million customers.



Liberty was not thrown clear of the country's financial stresses. "The crumbling of large banks had a direct impact on us," said Hewitt. But not in the way many would have anticipated. As loan originators began pulling in their credit line "purse strings," Liberty was firmly situated with a solid multi-million dollar line of credit. "In fact, tax season 2010 provided Liberty with the hard-fought opportunity to pay off our line of credit," Hewitt continued, "Positioning us to be able to continue lending to our Franchisees over \$40 million for expansions and off-season expenses in the coming year."

"Numerous other franchise organizations with less foresight were unable to invest in their own franchisees and therefore were unable to grow, not just this year, but for a number of recorded years," said Hewitt. While others will determine the beginning of the reversal of this recession, Liberty Tax Service will show we continued to grow and prosper in what has been identified as a very challenging financial environment.

***"The shift in our economy is going to bring many new opportunities for growth and prosperity in the form of acquisition of both companies and clients."***

In the last two years, during the worst recession for our generation, Liberty in the U.S. has:

- Added over 854 stores
- Increased system-wide revenue by over 48%
- Grown in the number of tax returns prepared by 25%

"Numbers of this stature represent great growth, when our most immediate competitors have lost over 2.5 million customers," said Hewitt. "What's even more amazing to me are the possibilities that appear before us—close enough to envision, and important enough to inspire our best efforts. I'm excited and hopeful we will continue to make progress in a wide variety of significant areas."

With the mention of Liberty's competitors, those numbers are more impressive, but for very different reasons. "This is the eighth straight year Liberty has grown by more returns than both H&R Block® and Jackson Hewitt® combined," commented Hewitt. When you compare the 2010 tax season to the 2009 tax season, H&R Block lost 921,000 returns and Jackson Hewitt lost about 14% of their returns, which was nearly 425,000 returns.

As recently as June 2010, H&R Block announced they were closing 400 tax offices and eliminated 400 full-time positions; Jackson Hewitt reduced full-time employees by 15% and there is uncertainty that Jackson Hewitt will be able to stay in business.

As others are looking at a future of downsizing and the withdrawing of resources to their most loyal of clients, Liberty is focusing on a future of providing for our loyal clients, and prospective new clients that we convert. SBBT's announcement to stop offering bank products could have been seen as a frightening event for those in a volatile market. For Liberty, it was all "in a day's work." "We had long since created a contingency plan in case a key vendor had a change in strategy," added Hewitt. As a result of Liberty's long-standing

relationship and solid performance-based reputation with other providers, we were seamlessly able to secure another bank to provide bank products to all franchisees.

What of the future? For Hewitt, it is the continuation of a well-executed plan, "We started Liberty Tax Service with the idea of eclipsing the impact of the two largest tax preparation companies in our country," he continued. "We are firmly on that road, with a mere 13 years of delivering the Liberty 'Way of Doing Business'." In many industries, Liberty would still be considered a start-up company just making inroads.

"The shift in our economy is going to bring many new opportunities for growth and prosperity in the form of acquisition of both companies and clients," said Hewitt. "This process will stretch us, challenge us and demand much from each and every person committed to our future." This next tax season will be Liberty's legacy, as we seek to grab market share, push the envelope and strive for what has always been Hewitt's ultimate goal, scribed on a napkin in a restaurant, to be the **#1 Tax Preparation Company in the Universe.**

By Elizabeth Sublett Fresquez



# Scoop

**BREAKING  
NEWS**

## PUSHING IT TO THE LIMIT Was The Battle Cry

Convention 2010 is now one for the history books. But it didn't go down quietly. Franchisees, vendors, preparers, corporate, family and friends all embraced the battle cry of the weekend and worked hard to "Push It To The Limit" all through the action-packed three day event in early June.



Thursday was full of sightings, from the "one that got away" during the fishing tournament to sightings of Waldo and that ever elusive hole-in-one. Choosing one activity wasn't easy. But in the evening, everyone enjoyed the chance to unwind with the cocktail party and reception held at the Virginia Beach Convention Center. Flashing martini glasses were a hot commodity, very early in the evening! Friday brought awards and recognition and motivational speeches from Liberty Leaders and guests. David Tarr and John Hewitt recognized successful and enthusiastic Franchisees for their outstanding work during the past tax season and Keynote Speaker, Ross Shafer, energized and inspired all.

The afternoon offered 39 different inspirational and educational breakout sessions and forums to discuss expansion, marketing, technology, tax school and many other topics. The evening wrapped up with casino fun, karaoke and a huge blowout on the oceanfront at the Cavalier Hotel.



Convention 2010 concluded with additional breakout sessions and a closing ceremony where attendees were re-energized by what they'd learned at Convention, friendships that were renewed and a fresh commitment to the coming year.



## CONVENTION FACTS

**Attendees:** 1740 | **Vendors:** 32 | **Volunteers:** 128

1. Who traveled the farthest? **Michael Debenham from Anchorage, AK**
2. Number of Otis Spunkmeyer® Cookies made during the afternoon breaks? **135 dz (1620 pcs)**
3. How many bottles of water were served? **3456**
4. How many balloon animals were made? **183**
5. How big were the projection screens used in the auditorium? **3- 20'W x 10'H**
6. How many pounds of cheese was cut at the Cavalier Hotel? **125 lbs**
7. How many casino tables were set up for Casino Night? **34**
8. Biggest fish caught in the Fishing Tournament? **5lbs. Robert Huber from Garland, TX**

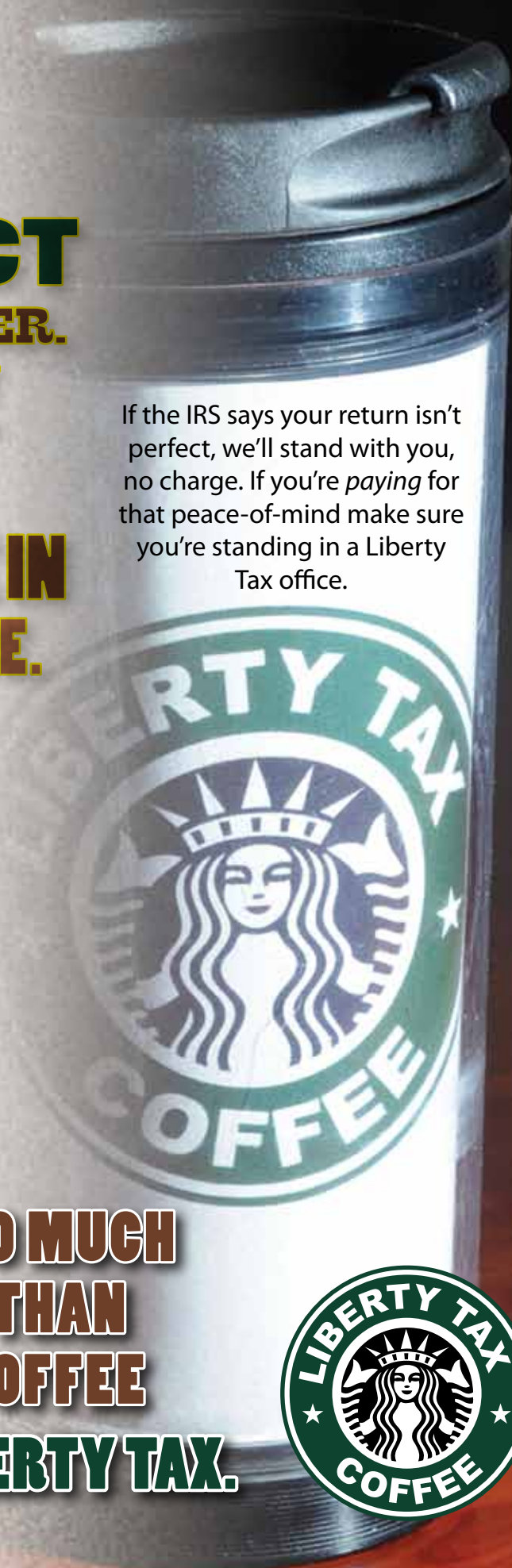


**IF YOUR  
COFFEE  
ISN'T PERFECT  
WE'LL MAKE IT OVER.  
IF IT'S STILL NOT  
PERFECT  
MAKE SURE YOU'RE IN  
A LIBERTY TAX OFFICE.**

If the IRS says your return isn't perfect, we'll stand with you, no charge. If you're *paying* for that peace-of-mind make sure you're standing in a Liberty Tax office.



**WE'RE SO MUCH  
MORE THAN  
GOOD COFFEE  
WE'RE LIBERTY TAX.**





## “Creating this Foundation is the logical next step in expanding our commitment to Hispanic communities across the U.S.”

And with that announcement, Liberty once again made history. On June 21, 2010, Liberty Tax Service announced the plan to create Una Familia Sin Fronteras Foundation, the first Foundation in the industry which specifically aims to contribute to Hispanic immigrants' success through fiscal and financial education.

The Foundation was developed to concentrate on and expand the outreach programs currently provided free of charge through Liberty Tax's highly successful Hispanic community initiative, Una Familia Sin Fronteras (A Family without Boundaries). Through this multi-faceted initiative, thousands of Hispanic adults have been educated on ways to achieve financial and future success in the United States.

The initiative has earned the respect and support of institutions and educational organizations including public school districts throughout the U.S., the Mexican government's Foreign Ministry's Institute for Mexicans Abroad (IME, or Instituto de los Mexicanos en el Exterior), and national non-profit organizations nationwide.

While Liberty Tax Service is the primary initiator and underwriter of the Una Familia Sin Fronteras Foundation, it plans to open sponsorship and participation to strategically aligned corporations, in order to increase the resources and capabilities of the Foundation and thereby increase its efforts and impact on the Hispanic community.



# MailBag

**“Deployed overseas and a new homeowner! If I weren’t reading about it, I wouldn’t have known about that homeowner’s extension for the military. One word for you: Hoo-Ah!”**

Lt. Cmdr. **William Dunn**



## LIBBY

Thanks for the great article on my favorite superstar, Libby. She is a classy lady who clearly has a heart of gold. I love talking with her on FaceBook. She always cracks me up! BTW: Happy Belated July 4th. Hope it was a blow-out!

**Suzanne Sullivan** Rochester, Wis.

I could not believe it when I read you are a Lady Gaga fan?!? I thought you’d be completely country, like here in Nashville, TN—there’s nothing more patriotic than songs about pickup trucks, dogs and trains. Lady Gaga? I’m speechless.

**Craig Starr** Nashville, Tenn.

Your Street Team is alive and well across the border! Couldn’t believe you profiled us. We are now local celebrities! And all we did was put on our Liberty T-shirts! Rock-on Libster!

**Tom and Nicole Clarke** Toronto, Ont.

## SCOOP

Size 879 shoes? That’s bigger than my house! My school report “What America Means To Me,” was awesome because of you! I got all my facts from Scoop last month. And I told everyone about what the seven points in your crown mean, and the tax seminars you do. My class loved the foam crowns you sent. (I kept all the extra ones!) LOL!

**Brian Pelino** Warrington, Penn.

## REFUND LOANS

As a mom-and-pop tax office, I couldn’t believe JP Morgan’s announcement about getting out of the RAL [Refund Anticipation Loan] business. I know it’s a sticky wicket for even ‘big dogs’ like you, but I am now in serious talks about coming on board with Liberty, knowing I will then have all the products my customers are looking for. Thanks for the info and for helping point me in the right direction.

**Ivan Iller** Daytona, Fla.

## FLOOD AREAS

Casualty, theft loss, last year’s tax returns? After the floods, we didn’t know where to start. I found last month’s issue of People of Liberty in the supermarket and saw your article on how to file, get advice—FREE advice and how to get copies of my

dry last year’s returns. You are a bright light at the end of a very dark tunnel.

**Maria Mather** Houston, Tex.

## CHATTER

Libby Tweets! My Mom does not understand Twitter. I told her I learned how I need to file this summer, as a temp summer worker at the Dairy Barn. And then I told her, it was because of Libby’s Tweet. She doesn’t think it’s so silly anymore.

**@LibbyFan@DairyBarn**



## WRITE US

**TO CONTACT EDITORIAL:** (Letters to the Editor, People of Liberty, 1716 Corporate Landing Parkway, Virginia Beach, VA 23454). Letters should include the writer’s full name, address and daytime phone number and may be edited for clarity and space.

800-790-3863 | [www.libertytax.com](http://www.libertytax.com)

The media just can’t get enough of Liberty Tax and their focus on the future.



# Chatter

## 6 REVELATIONS FROM CHARLIE KIRKPATRICK

Liberty Tax Service's Chief Information Officer relates to Shel Silverstein's take on life's ups & downs

### BEST INVENTION

Electricity, or at least Edison's electric grid. Without them virtually none of our candidates for modern day inventions would be remotely possible. Although there's debate as to exactly who invented electricity, there's certainly little debate that Edison made it "usable." The light bulb, a/c, microwave, computer, Internet and even solar cells would be impossible without electricity. Also, there's a bit of inspiration with Edison's light bulb invention. It took him 14,000 tries to get the light bulb right – a statistic that gives me some degree of comfort, because that's about how many attempts (over 20 years) it's taken me to learn how to do a windsurfing jibe.



### FAVE CHILDREN'S BOOK

The Giving Tree by Shel Silverstein because it eloquently portrays the ups, downs, joys, frustrations sacrifices, and general REALITY of raising kids. In fact, it should be a primer for anyone wanting to have kids. OK, as I think through the whole primer idea there could be significant macro-economic impact because it would likely lower the birth rate by several percentage points!



### I WISH THERE WERE NO

pictures of me during college. If so, I wouldn't live in constant fear of them finding their way onto Facebook for the world to see. Unfortunately, there are - so the fear is indeed constant.



### WHEN I WAS LITTLE

I wanted to grow up and be a professional baseball player, because I genuinely thought I was good enough to make it. That fantasy was cleared up by the time I was 12, allowing me to focus on my next dream – a process that continues to this day. It keeps me young.



### LAST MOVIE I SAW

Avatar. I thought it took Sci-Fi to a whole new level. While it likely won't happen in my lifetime, the concept of living through a second, better (Avatar) version of yourself is fascinating, because...

### IF MONEY WAS NO OBJECT

I would build an Avatar for myself so I could spend less time working and more time windsurfing!



**Directors:** John Hewitt (Chairman), John Garel, Gary Golding, Steven Ibbotson, Ross Longfield, George Robson, Ellen McDowell  
**Officers:** John Hewitt President & Chief Executive Officer | Mark Baumgartner Chief Financial Officer | Kathleen Curry Vice President of Legal & Human Resources | Charles Kirkpatrick Chief Information Officer | Martha O'Gorman Chief Marketing Officer | Ray Shively Vice President of Online Tax Products Rufe Vanderpool Vice President of Operations **Culture Committee:** Oscar Aujero, Leah Bryant, Chris Bushey, Nina Cunningham, Oliver Dimalanta, Jim Swartzbaugh, Vanessa Szajnoga. "People of Liberty" designed by Oliver Dimalanta & written by Elizabeth Sublett Fresquez | Printed by Teagle & Little

# Pushing Ahead

# A Vision for 2020

*“My fanatical goal is to be #1 by 2020. I have a laser-like focus on that,” John T. Hewitt.*

In just 13 short years, Liberty Tax Service has grown from the “new guys on the ‘block,’” to a powerhouse with a clear focus on the future. 2020 has everything to do with how we are looking at the next decade! We have a clear vision, purpose and plan to be the #1 Income Tax Preparation Company in The Universe! Think we’re talking smack? Look where this driven group of franchisees, employees, leaders and staff members came from:



## 2005

- Liberty is ranked #106 on Inc. magazine's Inc. 500 list of privately held companies.
- Named "Leader in Tax" Accounting Today magazine
- 1735 offices in U.S. and Canada.



## 2006

- Liberty featured on the front page of the Wall Street Journal.
- Liberty reaches The Top 10 on Entrepreneur's List of Best Franchises.



## 2004



- Liberty ranked #28 on Entrepreneur's Franchise 500; #12 on list of Top Low-Cost Franchises and #9 on the list of Fastest-Growing Franchise Opportunities.
- Liberty world headquarters moves to Corporate Landing Parkway in Virginia Beach, VA.
- Aug 3, Liberty visits NYC en-mass for the re-opening of the Statue of Liberty

## 2003

900 locations in the U.S. and Canada

# 900

## 1997

Liberty officially begins operations in Canada.



## 1998

Five offices open in Columbus, OH

# 5

# Timeline

## 2010

- Named #9 on Entrepreneur's fastest-growing franchise list
- One of the Top 25 Best Franchises for Hispanics by Poder Magazine
- More than 3,500 offices open in U.S. and Canada
- A second 30,000-square-foot building opens on Liberty campus headquarters in Virginia Beach, VA, doubling our size.

## 2009

- More than 3100 offices in U.S. and Canada
- Reaches #1 spot in Entrepreneur's tax preparation category and soars to #3 Franchise overall.
- Named one of the Best of the Best by Black EOE Journal, Hispanic Network Magazine and Professional Woman's Magazine
- Named The Best Place to Work in Hampton Roads, VA by Inside Business magazine.
- Mark Baumgartner named one of Virginia's Top CFOs by Virginia Business



## 2007

- Hispanic Trends recognized Liberty as one of the top 25 franchise opportunities for Hispanics
- More than 100 ADs represent 80% of the country.
- Liberty's proprietary software, LibTax™, is deployed to 534 office test markets.
- Liberty implements a tax preparation certification process.
- Liberty is ranked #15 on Entrepreneur's Franchise 500; #6 on Top Low-Cost Franchises and #8 on Fastest-Growing Franchise Opportunities



## 2008

- Named one of the 25 Best Places to Work in Hampton Roads, VA by Inside Business magazine, for the 3rd consecutive year.
- Liberty launches Hispanic Initiative: Una Familia Sin Fronteras
- More than 2,700 offices throughout the U.S. and Canada
- Liberty partners with March of Dimes

## 2002

Liberty makes NBC Today Show debut appearance.



## 2001

Liberty wins a lawsuit against H&R Block, forcing Block to stop misrepresenting tax loans as refunds or refund amounts.



# 35

## 1999

Thirty-five offices in seven markets across the country.

## 2000

Liberty moves its world headquarters to Bonney Road, Virginia Beach, VA.



# A METHOD TO THE MADNESS



As Sally Field so expertly put it, "You like me. You really like me." And with the help of the corporate marketing department and fanatical franchisees, 2010 was a great year for bringing Liberty Tax to the forefront of our ever-changing industry.



This year, Liberty's offers, promotions and commitment to customer service were heralded by singing babies with damp diapers, Tax Scratch cards, friends sending friends sending friends, Cash In A Flash and seminars totting everything from

First Time Homebuyer's Credits to Tax Tips for Truck Drivers.

Franchisees and area developers need only visit ZeeNet for exciting new ideas on how to get the Liberty name out on the street and onto the lips of those who were looking for a credible tax preparer.





# MARKETING



This year, as with others, not all efforts concentrated on bringing customers in the door. Liberty's altruistic side is always evident as we continue our focus on uniting cause-related marketing and helping others. Valentines For Troops in February, March of Dimes Chili Cook-offs in March, Relay For Life Book Sales and Mascots For Meals are only a few examples of how others came to benefit from the dedication and drive of Liberty Tax Service's friends and families.



From fresh cookies and B2B to wavers and radio commercials, the marketing of Liberty Tax Service is a responsibility we assume every day, as soon as we put on our LibWear and head out the door. As a result, Liberty Tax Service is a brand recognized for its culture and delivering on our promise to the people we serve.



# Getting The Word Out

In fiscal year 2010, Liberty continued to set the standard for the tax industry. Companywide we prepared over 1.9 million returns and had the largest increase in raw numbers of returns prepared, compared with H&R Block® and Jackson Hewitt®'s numbers—combined. During tax season, John Hewitt conducted a series of conference calls for investment analysts to assess the tax season and John continues to be consulted and called upon as a tax industry expert for national and international media outlets.

From slumber parties and roadside parties, Lady Liberties and outreach programs, our customers and the public alike experience nothing but fun, while getting taxes done. Since the beginning, waving Lady Liberties have added an approachable visual image to the rather anxiety inspired mental pictures of tax forms, receipts and calculators typically associated with filing taxes.

Lady Liberty, tax tips and FAQs, and April's last-minute filing frenzy once again captured the media's attention as well. This synergy plays out well for free publicity and media opportunities with Liberty Tax Service occupying the April media spotlight.

This year, last-minute tax filing success stories included CEO John Hewitt on CNBC, and a BBC America feature story highlighting a day-in-the-life Liberty franchisee. From April 1-April 15, 2010, Liberty Tax was featured in over 700 print, online, radio, and television stories on last-minute filing and extended hours. The publicity value of our television coverage was over \$383,000!



**People**  
of Liberty

RECORDING  
Please Do Not Disturb





# WE HAVE YOU COVERED! DURING THE TAX SEASON



Mark: Financial Reporter



Kathleen: Evening News



Ray: Local Sports



Martha: Morning News



Rufe: Business News



Charlie: Weather

**Operating Committee:** *left to right* John Hewitt, Mark Baumgartner, Kathleen Curry, Ray Shively  
*below* Martha O’Gorman, Rufe Vanderpool, Charlie Kirkpatrick

John Hewitt featured on  
WLTS-TV13 Local News  
Operating Committee and LTS  
Sports Board of Directors.



# LTS Sports

**Board of Directors:** from left to right John Hewitt (above), Ross Longfield, George Robson, Steven Ibbotson, Gary Golding, John Garel. Not pictured: Ellen McDowell

new tax season **january 1, 2011**

# BUILDING WITH A

# FUTURE



The delivery trucks were the first to arrive, very early that winter morning. The creak of chairs being unfolded, the swoosh of giant Lady Liberty balloons being inflated, a cake that required six people to bring it inside and the sounds of a DJ blew across the parking lot. Something big was definitely afoot.



It wasn't long before the sounds, sights and scents of a party being launched began to bring the attendees—a dozen Lady Liberties directed traffic, windfeathers looked alive in the wintry air and the honored guests took their spots in front of the official Grand Opening of Building #2 on the Liberty Corporate Campus.



## BY THE NUMBERS | THE NEW BUILDING

**2** Name of the building

**2008**

Year the land was purchased

**51**

Cubes on each floor

**96**

Number of Windows

**1**

Pair of ribbon-cutting scissors, borrowed from the City of Virginia Beach

**3**

Times the move date was changed

**2500**

Pounds allowed in the elevator

**39**

Offices with doors and some of the 96 windows

**510**

File cabinet drawers

**30,000**

Total square feet



It was here among local dignitaries, government officials, contractors, media, corporate employees, vendors and franchisees that Building #2 was celebrated with much fanfare. Speakers praised the forethought, design and dedication that brought everyone to this event.

In a year that featured headlines about bankruptcies, downsizing, hiring freezes and recessions, hundreds had turned out to be part of history—as Liberty Tax launched into a new year with a brand-new 30,000 square-foot building. It certainly set the tone for tax season 2010! With the cut of a red ribbon, Building #2 on the Liberty Campus was officially opened and took its place firmly in the timeline, once again illustrating Liberty's ability to rise above and prosper.



# Someone You Know May Need Help Someday —Or Already Does

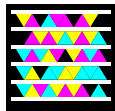
On a rainy Friday night, breezy Sunday afternoon, peaceful Saturday morning; 11 Liberty friends, 6 Liberty family members, 20 Liberty employees; ran, rolled, walked for 1 hour, 4 hours, all 24 hours of a Relay For Life Event, Relay For Life Fundraiser and Relay For Life Coin Drive; in the Outer Banks, NC, Midland, TX, and Las Vegas, NV. These cancer survivors, care providers, loved ones all walked to celebrate, remember and fight back for as many reasons as there are participants.

In our debut year, Liberty Tax Service made great strides to help Relay For Life in their continued fight against cancer. Many teams organized fund raisers from free tax returns for donations to coin drives, wine tastings and Pink Flamingo Yard Removal Service — results were impressive!

For anyone who attended a local event in their community, everyone was awed by the strength and pride of cancer survivors and caretakers as they took to the track for the Survivor Lap, as others lined the track, clapping, crying and cheering for complete strangers. In the twilight hours, the same track was lined with the candlelight of luminaries softly flickering to honor those who lost their fight with cancer. When the rays of the morning sunrise broke across the track, it was a symbolic reminder to all that hope is constant and the fight will continue—with the help of Liberty Tax Service and our ongoing commitment to Relay For Life.



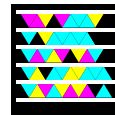
The National Liberty Tax Service Team raised more than \$26 thousand dollars, through 423 donations with 61 teams from across the nation with 280 participants.



KNOW A HERO? SEND SUGGESTIONS TO [HEROES@LIBTAX.COM](mailto:HEROES@LIBTAX.COM)

# WHEN HAITI CRIED OUT

When a catastrophic 7.0 earthquake rattled Haiti on January 12, 2010, Liberty Tax Service mobilized quickly to help the tens of thousands living in the ruined streets without food, water, shelter or medical assistance. Whether it was donations made for every tax return prepared or roadside party fundraisers and food collection points, Liberty friends and families once again answered the call with help from our non-profit, international relief partner Stop Hunger Now. With the direct assistance of Liberty Tax Service, more than 684 meals were purchased for the hungry in Haiti.



# Soldiers Call on Liberty

Since Liberty joined forces as a National Premier Partner with Cell Phones for Soldiers in late 2004, we have been recycling used cell phones to provide calling time for our troops. Thanks to the partnership of Liberty Tax and others, Cell Phones for Soldiers provided over 750,000 service people with over \$5 million in calling cards last year. During Tax Season 2010, many CPFS roadside collection events took place in cities across America including Boise, ID, Toledo, OH, Brandon, FL, and Odessa-Midland, TX.

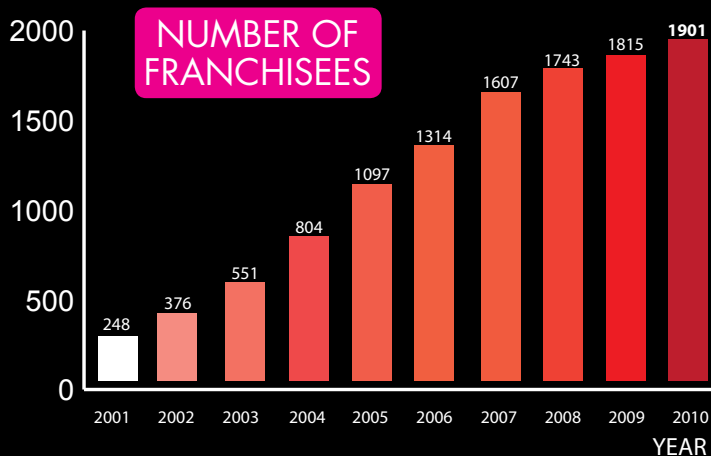
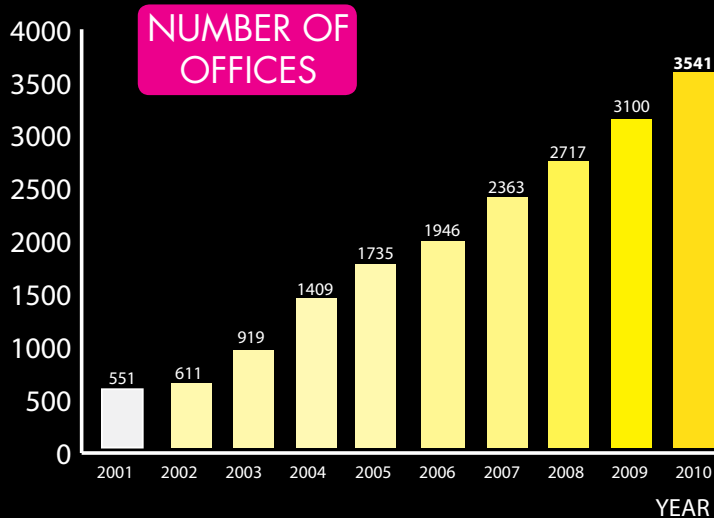
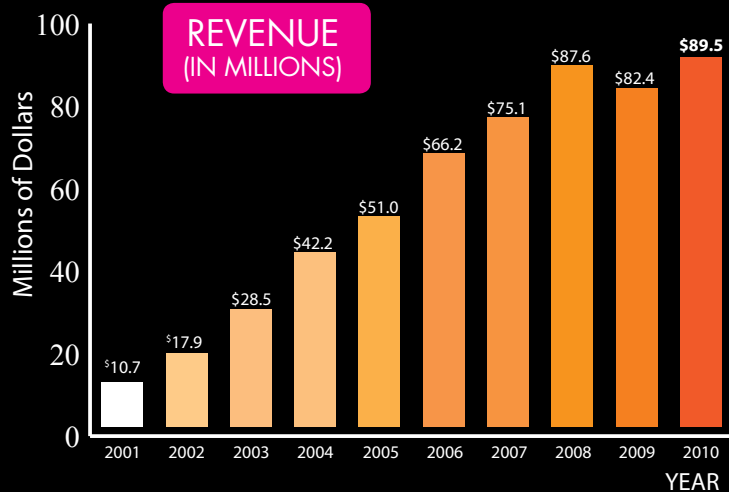


# Help For The Helpers

Free tax preparation for those who rarely ask for anything. Appreciation Days have been a Liberty Tax tradition for over a decade, and our franchisees have embraced it in their home territories. In pre-peak January, many offices waived tax preparation fees for laid-off workers, and during the weeks of March, we honored teachers, police, firefighters, hospital workers and volunteers with free tax preparation. In addition, Liberty Tax offices reported other local charity involvement including food drives for local food banks and shelters. There were also benefit events for March of Dimes, Relay for Life/American Cancer Society, American Red Cross, and a host of other local nonprofits and worthy causes.



# Facts & Figures



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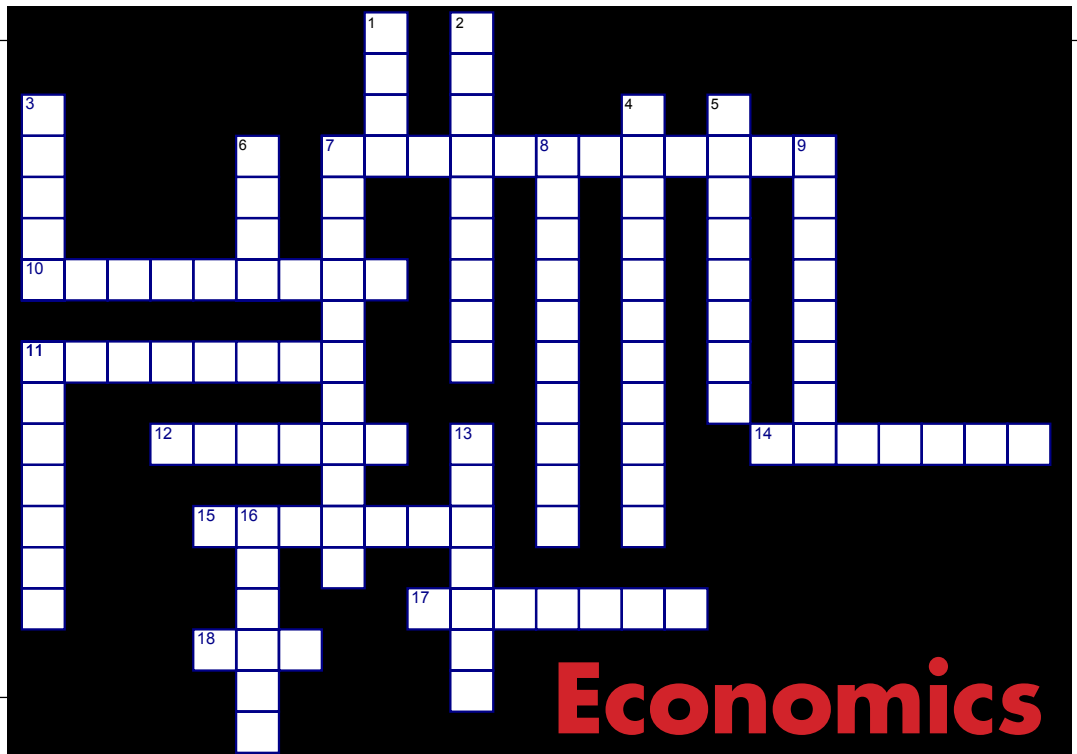
## TRAVEL TALES FROM THE ROAD

No matter where this Guerrilla Marketing Trainer lands for his next high-powered training session, he counts on these items to get him through. **Corporate Trainer**—Brian Panelo

### TIPS FROM A WELL-TRAVELED GUERRILLA MARKETEEER

1. I will not travel without a neck pillow because drooling on a neck pillow is more forgiving and less awkward than someone's shoulder.
2. One of the funniest things ever said to me was, "Smells like a bakery in here," when I returned my rental car after a week of Krispy Kreme Donuts.
3. I couldn't believe I was caught dancing to Justin Bieber's song, "Baby" when I was waving in Salt Lake City, Utah. My headphones detached from my mp3 player and the song played through the speaker.
4. If you ever find yourself in New York City, don't forget to bring a lot of quarters because the Parking Police won't forget to write you a ticket.
5. I love visiting Los Angeles, CA because driving on their freeways improves my NASCAR skill level.





## Economics Principles and Practices

### ACROSS

7. \_\_\_ tax; tax in which percentage of income paid in tax is the same regardless of the level of income
10. additional tax or charge added to other charges already in place
11. federal health-care program for senior citizens, regardless of income
12. \_\_\_ tax; general revenue tax levied on the manufacture or sale of selected items
14. intergovernmental \_\_\_; funds one level of government receives from another level of government
15. Internal Revenue \_\_\_; branch of Treasury Department that collects taxes
17. \_\_\_ tax; tax on wages and salaries to finance Social Security and Medicare costs
18. marginal \_\_\_ rate; tax rate that applies to the next dollar of taxable income

### DOWN

1. \_\_\_ fee; fee paid for the use of good or service; form of a benefit tax
2. \_\_\_ income tax; tax on corporate profits paid by corporations
3. \_\_\_ tax; general state or city tax levied on a product at the time of sale
4. payroll \_\_\_ system; system that automatically deducts income taxes from paychecks on a regular basis
5. adjustment of tax brackets to offset the effects of inflation
6. Federal Insurance Contributions Act; tax levied on employers and employees to support Social Security and medicare
7. \_\_\_ tax; tax where percentage of income paid in tax rises as level of income rises
8. \_\_\_ tax; tax where percentage of income paid in tax goes down as income rises
9. tax \_\_\_; exception or oversight in the tax law allowing taxpayer to avoid taxes
11. alternative \_\_\_ tax; personal income tax rate that applies to cases where taxes would otherwise fall below a certain level
13. \_\_\_ tax rate; total taxes paid divided by the total taxable income
16. \_\_\_ tax; tax on the transfer of property when a person dies

Scan this tag  
for answers to  
this puzzle.



# *New offering from the Franklin Mint!*

## Liberty Tax Service Commemorative Coins

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**LIMITED COLLECTOR'S EDITION**



### *Tribute to Liberty Tax Service Founder Commemorative Coin Collection*

**Minted in one full ounce of .999 pure silver**

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- **Comes in deluxe velvet presentation case**
- **Includes numbered certificate of authenticity**
- **Will never be minted again!**

**Only \$99 each! Save  
\$20 by ordering entire  
set!**

This genuine collector's set from The Franklin Mint commemorates the founder of the fastest-growing tax preparation company ever, Liberty Tax Service. Each coin features a carefully crafted, timely image honoring John T. Hewitt, International Franchise Association's "Entrepreneur of the Year" and Accounting Today magazine's one of the "Top 100 Most Influential People" - 10 unique times. On the reverse, the prominent figure that inspires John to continue his quest to elevate Liberty Tax Service to the #1 Tax Preparation Service in the Universe—Lady Liberty—embossed boldly, and serving as inspiration to all.

Liberty Commemorative Coins are likely to become the most sought-after new coins in years! A great addition to any collection, they also make impressive gifts. And now, for a limited time only, this one-of-a-kind set is available only from The Franklin Mint on a strict first-come, first-served basis.

To order the complete Liberty Commemorative Coin set, contact The Franklin Mint, or contact Liberty directly. Just call 1-800-790-3863, or shop at Liberty's on-line catalogue site at [www.libertytax.com/worthamint](http://www.libertytax.com/worthamint).

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